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RHMFISS/DEPT OF ENERGY WASHINGTON DC
INFO RUEHAM/AMEMBASSY AMMAN 0905
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

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STATE FOR NEA/ARP, EEB/ESC/IEC/ENR (MONOSSON) AND OES/EGC (THOMPSON)
DOE FOR ERICKSON
AMMAN FOR ESTH HUB OFFICER (BHALLA)

E.O. 12958: 04/12/2019
TAGS: [SENV](#) [ENRG](#) [PREL](#) [PGOV](#) [AE](#)
SUBJECT: EXXONMOBIL PROMOTES CARBON TAX

CLASSIFIED BY AMBASSADOR RICHARD G. OLSON FOR REASONS 1.4 B AND D

11. (C/NF) On April 9, ExxonMobil (Al-Khalij) President Frank Kemnetz and Vice President Michael Perry, accompanied by Exxon Mobil International Government Relations Manager James Adams, briefed the Ambassador on ExxonMobil's views on CO2 emission policies. Kemnetz noted that ExxonMobil Chairman Rex Tillerson has been quite vocal that the firm prefers a carbon tax over the cap-and-trade system. Kemnetz argued that cap-and-trade is complex, unpredictable, cumbersome and expensive, making it difficult for firms to plan long-term investments. In comparison, ExxonMobil believes the predictability of a progressive carbon tax would encourage new investment in carbon reduction technologies.

12. (C) The purpose of Adams' visit to the region was to explain ExxonMobil's position to regional officials (including those of Kuwait and Saudi Arabia). Kemnetz said UAE Minister of Energy Mohammed bin Dhaen Al Hamili had initially balked at a carbon tax (seeing it as an attempt to penalize OPEC), but had eventually voiced his support for a free market solution. However, the UAEG is not actively pursuing a carbon reduction policy at this time.
OLSON